

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUL 21 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

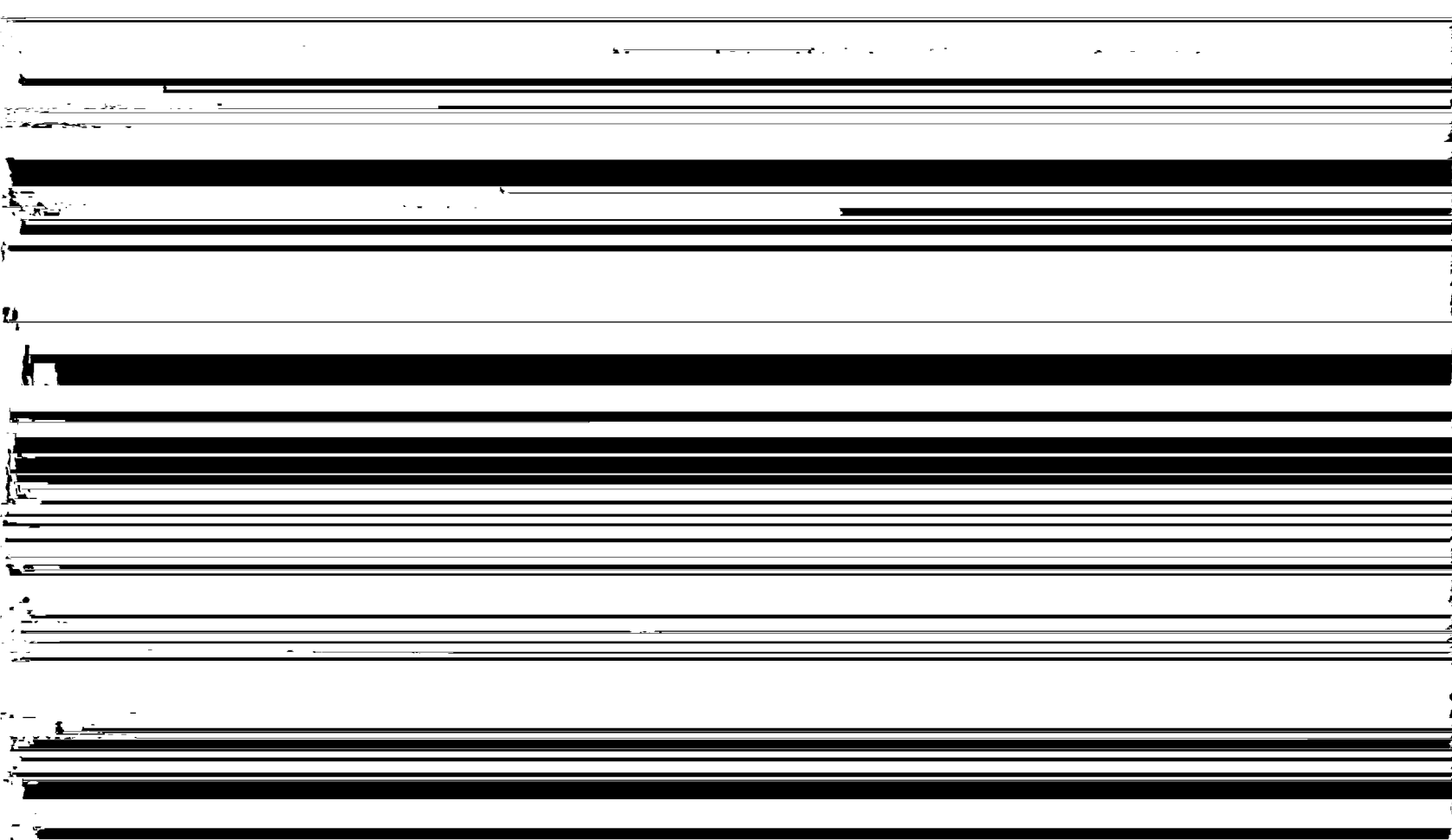
Treatment of Operator Services)
Under Price Cap Regulation)

CC Docket No. 93-124

REPLY

BellSouth Telecommunications, Inc. ("BellSouth")
submits its reply comments in the above-captioned
proceeding.

Twelve parties, including BellSouth, filed comments in
this proceeding. None of the commentors supports the
Commission's proposed rule change. In fact all the
commentors agree that the Commission's proposed action in
this proceeding conflicts with the objectives of price cap
regulation because it would further limit LEC pricing



unreasonable LEC prices. Moreover, few LECs have increased prices for operator transfer service (OTS) since the service was first tariffed.³

Several commentators offer an alternative proposal which they claim would not eliminate LEC pricing flexibility.⁴ While these alternatives may have some merit, their consideration is premature. Currently there is nothing in the record that shows any change to the current rules is needed. Moreover, as USTA points out in its Comments, the Commission itself has determined that market forces are securing just and reasonable rates for operator services.⁵

Furthermore, as stated by Bell Atlantic, "now is not the appropriate time for tinkering with the structure of the price cap plan."⁶ The appropriate place and time to address such concerns is during the comprehensive review of the entire price cap structure which is scheduled to take place at the end of this year.

CONCLUSION

The Commission should not require creation of a separate category within the Traffic Sensitive Basket for

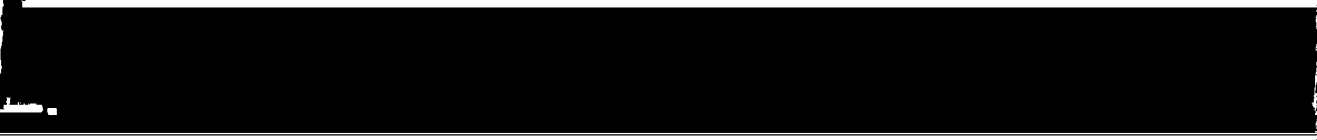
³ BellSouth at 4, Southwestern Bell at 3, GTE at 2.

⁴ See e.g., SNET, NYNEX, GTE.

⁵ USTA at 4, n.7. See also, Final Report of the Federal Communications Commission Pursuant to the Telephone Operator Consumer Services Improvement Act of 1990, November 13, 1992, at 33.

⁶ Bell Atlantic at 1.

interstate operator services. Such a requirement is
contrary to stated price caps policy objectives and
unsubstantiated by facts and experience compiled to date in



CERTIFICATE OF SERVICE

I, Sheila Bonner, hereby certify that I have this 21st day of July, 1993 serviced all parties to this action with a copy of the foregoing REPLY COMMENTS by placing a true and correct copy of same in the United States mail, postage prepaid, to those persons listed on the attached service list.

Sheila Bonner
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CC Docket No. 93-124
July 21, 1993

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